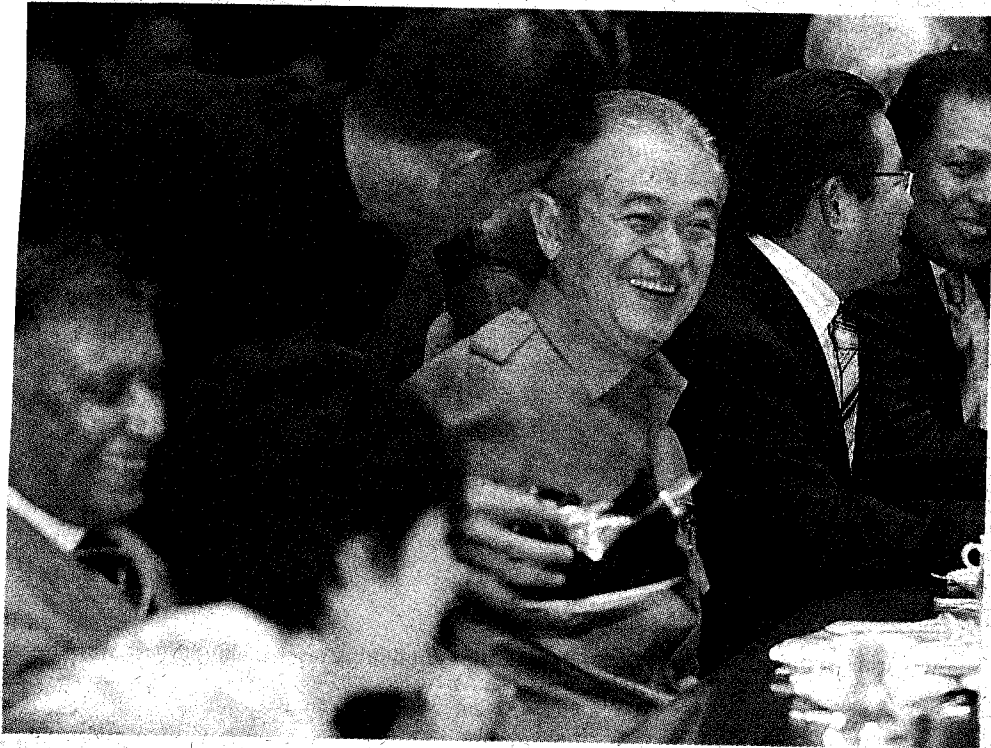


'Let market forces decide'



Convivial atmosphere: Abdullah is all smiles during the Bank Negara board of directors quarterly meeting in Kuala Lumpur yesterday. Seated on his right is Second Finance Minister Tan Sri Nor Mohamed Yakcop.

Govt not going to counter KLCI slump

KUALA LUMPUR: The Government will not intervene to counter the drop in the KL Composite Index.

"What's important is that we always ensure that our economic fundamentals are strengthened," said Prime Minister Datuk Seri Abdullah Ahmad Badawi.

"We must be prepared to face external shocks. Even if they are strong, we will not be badly affected. If they are mild, it will not affect us at all," he told reporters after attending a briefing at the Bank Negara board of directors' quarterly meeting here yesterday.

The KLCI which fell to 1,110.60 points over the past week, the biggest drop since Sept 17, 2001, regained 20 points yesterday on a technical rebound.

On foreign investments, the Prime Minister said: "Malaysia is a good place to invest. We have political stability and we are a safe place. If foreign investors want to make profits it will depend on how they manage their companies."

Abdullah also said the Government would not revise the gross domestic product growth

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this year which had been forecast at 6%.

He expressed satisfaction over the increase in domestic consumption and investment which reflected the public's confidence in the economy.

Asked about Proton Holdings Bhd's strategic partnership talks, he said: "Well, I was told that Peugeot (PSA Peugeot Citroen) had decided to withdraw. So, that's all."

He said Proton was still talking to Volkswagen AG.

Meanwhile, General Motors Corp is talking about taking a stake in Proton, reports Bloomberg.

The Proton talks remain "extremely" preliminary, General Motors CEO Rick Wagoner said at the Geneva motor show yesterday.

Later, at the launch of the *National Craft Day 2007*, Abdullah said he wanted high quality Malaysian crafts to be sold internationally in major cities and prestigious shops.

"We also want to give these as gifts to prime ministers and presidents of other countries. We need to bring our craft beyond our boundaries," he said.